

**The Michigan State Housing Development Authority (MSHDA) is pleased to announce a competitive opportunity for local units of government and/or nonprofit organizations to assist residents statewide with homeowner rehabilitation and/or homebuyer activities via the**

**Housing Initiatives Division**

**Request for Proposals (RFP) and Notice of Funding Availability (NOFA)**

**September 20, 2016**

***Purpose of the Request/Summary:***

The selected non-entitled local unit(s) of government and/or nonprofit(s) will be the grantees of up to \$1 million in MSHDA HOME funds to implement homeowner rehabilitation and/or homebuyer activities. The HOME program activities are being made available by the Authority acting on behalf of the State of Michigan as the Participating Jurisdiction under the HOME Investments Partnership Program (the "HOME Program") funded by the U.S. Department of Housing and Urban Development ("HUD") under Title II of the Cranston-Gonzalez National Affordable Housing Act, as amended (42 U.S.C. 12701 *et seq*). All HOME compliance requirements are in full effect for this award.

The overall purpose of the RFP and NOFA is to identify entities that have capacity and experience to provide housing assistance to areas in need. Respondents must demonstrate program management experience as well as previous HOME program administration experience or an equivalent amount of federal affordable housing experience. This RFP requires three areas of expertise: 1) Program Management (design and coordination); 2) Technical Implementation (on-site management and oversight of activities); and 3) Grant Administration Experience.

Respondents must be able to mobilize quickly to meet the immediate action response that is desired. The grant term is anticipated to be March 1, 2017 to December 31, 2018. NOTE: All activities must be completed, invoiced and have all expenditures completed and processed within the MSHDA On-line Project Administration Link (OPAL) system **no later than September 30, 2018.**

***Eligible Objective/RFP Description/Scope:*** MSHDA would like to identify via this RFP multiple entities that would serve as a MSHDA direct funded grantees of federal HOME dollars. Overall, \$1 million in HOME dollars will be awarded to provide single family homeowners with direct homeowner rehab and/or to provide homebuyer assistance. Each RFP response should define a vision for how the funds will be strategically utilized based on local resources, capacity, and leveraged

assets that the respondent could bring to the table to efficiently and effectively manage high production levels while also achieving high neighborhood impact.

**Eligible Activities Overview:** Eligible activities for the use of HOME funds is limited to providing assistance to eligible homeowners and and/or homebuyers including the payment of temporary relocation expenses. Up to 10 percent of the grant award may be used for program planning and administration.

**Eligible Areas/Applicants:** Funding will be awarded statewide (except within the City of Flint where a current MSHDA HOME funding award is being implemented) to local units of government that are not a HOME Participating Jurisdiction (PJ) and/or to nonprofit corporations such as Community Development Corporation (CDC)'s and/or Community Action Agencies (CAA)'s providing services to the community and/or Habitat for Humanity Affiliates and/or Land Bank Authorities within either HOME non-PJ areas and/or HOME PJ areas. Note: Prior to a final funding decision being made by MSHDA a non-profit operating within a HOME PJ must demonstrate a dollar for dollar investment of local HOME funds within the identified proposed assisted area(s) and/or an equivalent capital investment approved by MSHDA.

**Timeline/Benchmark Activities:**

**Projected Date:**

RFP and NOFA Announcement	9/20/16
RFP Questions submitted to <a href="mailto:hidmailbox@michigan.gov">hidmailbox@michigan.gov</a>	10/4/16
RFP Questions and Answers posted on website	10/7/16
Q & A Conference Call	10/11/16
NOFA RFP Submission Deadline	11/11/16
RFP Review	11/15/16-11/30/16
Begin CHDO Certification Process	HID authorization to apply for certification is required
RFP Agency Selection/Application Authorization	12/01/16
Formal MSHDA OPAL/HDF Application Submission Deadline	1/15/17
MSHDA Announcement	2/1/17
Grant Award Effective Date	3/1/17
Environmental Release Date	4/30/17
Agency Selection of Properties	5/15/17
Notice to Proceed Issued	5/30/17
Construction Begins	6/1/17
Monthly Progress Meetings Held during Const. Phase	
Construction Completed	6/30/18
Inspections Finalized	8/30/18
Grant Completed	9/30/18
Grant Administratively Closed	12/31/18

**Eligible Occupied Property Definition:**

A single-family property which is zoned residential that a) has no mortgage and/or tax delinquencies; b) is not subject to a foreclosure proceedings, court-ordered receivership or

nuisance abatement; c) has utilities services turned on; and d) is permanently occupied by homeowners that identify the assisted address as their primary residence.

**Program Requirements:**

- All properties assisted must be able to be brought up to HQS, UPCS and/or local code based on whichever one is stricter.
- There is no long term affordability or occupancy restrictions for homeowner rehab.
- There is long term affordability and occupancy restrictions for homebuyer components.
- The HOME (existing unit) value limits for each applicable county will be provided.
- A lien, based on the amount of HOME investment, will be placed on each assisted property with the minimum amount being \$1,000.
- The HOME maximum per unit subsidy limits will also be provided.
- All activity must benefit households with incomes at or below 80% AMI based on HOME County Income Limits. Homebuyer components require incomes between 40%-80% AMI.
- We do not require leverage to come directly from the homeowners/homebuyers. When applying for funding, all leverage identified must be committed/secured.

**Homeowner Component Requirements:**

**Homeowner Rehab**

- No specific sites/addresses will need to be pre-identified.
- HOME program income generated from repayable liens will be serviced and retained by MSHDA and will be distributed statewide, funds will not be reserved for a specific grantee.
- The lien options identified below are not prorated and are going to be provided at zero percent interest. Each grantee must select only one option.

	% of AMI	% of HID Funds for Project	Repayment Terms	Lien Option
<input type="checkbox"/>	0-80	50% Forgiven	Monthly payments over 10 years	Option 1
<input type="checkbox"/>	0-29	100% Forgiven	All have monthly payments over 10 years, except 0-29% AMI	Option 2
	30-49	75% Forgiven		
	50-59	50% Forgiven		
	60-80	25% Forgiven		

**Homebuyer Component Requirements:**

**Homebuyer Activity 1: Acquisition Development Resale (ADR)**

- Only HOME MSHDA Community Housing Development Organization (CHDO) agencies are eligible to administer ADR activities.
- RFP submissions will be accepted by agencies not currently designated as a CHDO. ADR will require CHDO certification at the time of formal application invitation once minimum threshold requirements outlined within the RFP are determined to have been met. Our office will directly notify each approved applicant and assist with the certification process.

- Proposed activities require either presale and/or pre-approval from MSHDA based on market conditions.
- Total ADR-funds will not exceed \$75,000 per unit.

### **Homebuyer Activity 2: Homebuyer Purchase Rehabilitation (HPR)**

- Designed to provide subsidy gap between after-rehab value and homeowner investment.
- Total HRF-funds will not exceed \$40,000 per unit.

### ***RFP Content Requirements:***

Respondents need to include factors identifying the agency's capacity to execute homeowner and/or homebuyer projects, leveraging potential, and experience in facilitating the strategic investment of limited resources. **The response is limited to a specific number of pages and should be presented in a clear and concise manner and be double spaced in 12 size font.** If your agency is interested in rendering the direct funded HOME program activities noted above, please respond to this RFP by providing the information outlined below.

NOTE: Respondents must organize their responses to reflect the items below and submit them labeled in the same order Items 1-5 as well as by their corresponding letters and label attachments according to the instructions below. You are welcome to incorporate additional attachments as needed but they should follow the same labeling: Attachment (Item #, Letter).

#### **1. Submission Exhibits**

- A. Provide the required cover letter (**Exhibit A**).
- B. **Letters of Interest and Support Requirement**  
Submit with the application, a letter of interest/support from the applicant's authorized official and if applicable the chief elected official of the assisted area(s). In addition, provide letter(s) of support from any applicable partner organizations. Generic boilerplate letters of support from multiple agencies are not recommended. **Attachment 1B**

#### **2. Proposal/Implementation Plan (Narrative - Maximum Pages 5)**

- A. Provide an overview of the strategic implementation plan/proposed boundaries within which the selected component(s) and activities will be focused and how funding would be utilized. Identify the criteria used for the determination of the planned course of action and how it is supported with other local, regional, state and/or federal resources and master plan(s);
- B. Provide an outline of the tasks to be performed and the expected time frames within which projected tasks will be completed (beginning and ending dates);
- C. Identify tangible outcomes/deliverables that will occur as a result of the activities including the projected number of properties that could be assisted and the methodology for the calculation;
- D. Provide a map outlining the area(s) within which activities will be focused including the criteria used for the determination for all proposed homeowner/homebuyer investment; **Attachment 2D**

- E. Identify the proposed intake/selection process and methodology for identifying and prioritization of the assisted areas, properties and potential applicants; and
- F. Identify any community involvement undertaken or anticipated to be undertaken by the nonprofit and/or partner organizations;
- G. Identify any local and/or state designated investment or incentive target area (NEZ, Main Street, Blueprint, HUD Sustainable/Resilient areas, Redevelopment Readiness areas, Rising Tide areas, etc.) that are supported by current or previous neighborhood-based community involvement plans.

**3. Budget (Narrative - Maximum Pages 2)**

- A. Provide a detailed budget plan (**Exhibit B**) identifying all proposed sources and uses of the HOME funding as well as any leveraged dollars. Note: the proposed budget submission also needs to include a breakdown of the projected hours needed for administration; i.e. salary and travel expenses – limited to 10% of total project costs;
- B. Provide backup documentation validating applicable proposed leveraging by source, dollar amount, commitment status, availability date; **Attachment 3B**
- C. Provide the methodology used to determine the upfront cost analysis/budget plan, the estimated cost per unit, and the proposed activities to be provided to the unit. Provide a justification for cost reasonableness for the estimated costs/activities.  
**Attachment 3C**

**4. Staffing Experience/Capacity (Narrative - Maximum Pages 5)**

- A. Identify staff members by name and their relevant roles/experience levels;
- B. Identify previous work by the agency in the community;
- C. Describe/Demonstrate agency experience administering federal HOME funds; Include: Applicant Intake and Selection, Income Eligibility Qualification/Verification, Construction Oversight, Grant Management and Compliance;
- D. Identify experience utilizing other federal or state funding;
- E. Identify experience with Homeowner/Homebuyer Implementation and Oversight;
- F. Provide how your agency intends to coordinate, implement and provide oversight of homeowner/homebuyer activities including temporary relocation (if applicable);
- G. Identify any collaborative experience/partnerships with complementary programs and/or other funding resources that you could utilize in conjunction with this grant; and
- H. Identify any partnerships that you have that would assist your agency with effectively and efficiently administering a HOME funded grant; provide any applicable awards and/or recognition received for successful project(s) or partnerships.

**5. Agency Qualifications (Narrative - Maximum Pages 2)**

- A. Describe how your agency will assure compliance with grant administration and audit requirements to ensure program rules and regulations are met.

**Note: All applicants are required to be in compliance with HUD and to be in good standing with MSHDA and all other State of Michigan Agencies.**

- B. Financial Capacity: Provide a sworn statement certifying that your agency is not delinquent in relation to any local, county, state or federal taxing jurisdiction property, income or business taxes. **Attachment 5A**
- C. Technical Capacity: Provide a copy of the most recent monitoring letter(s) (not older than 3 years) and subsequent correspondence issued to your agency for any applicable federal and/or state funding. **Attachment 5B**

***RFP Selection/Evaluation Criteria:***

A MSHDA review committee will make funding recommendations and final award decisions based on the scoring system below.

Recommendations/Selections will be based on a competitive scoring process as follows:

**20 points: Adequate Proposal Content/Agency Support/Prioritization of this Project (Item 1)**

Proposal is clear, concise, complete and realistic in nature – all requested information provided.  
No typos and/or calculation mistakes.

**40 points: Design/Process Proposal/Implementation Plan (Items 2 and 3)**

**40 points: Experience/Capacity/Qualifications (Items 4 and 5)**

**100 points possible overall**

Additional Consideration for Tiebreaker (if applicable)

Identified Staffing Resources and/or Presentation and/or Interview (upon MSHDA request).

The proposed scoring outlined above will assist the review committee in comparing and assessing RFPs. However, the determination of the most qualified agency and/or proposal may include other criteria and consideration at MSHDA's discretion. The timeline for making a determination and notifying all respondents is anticipated to be no later than November 15, 2016.

***RFP Submission Instructions:***

Three original and if applicable color submissions **MUST** be received no later than **5:00 p.m. on Friday, November 11, 2016**. Submissions that are late **will not be considered**. Electronic submissions to the [HIDMailbox@michigan.gov](mailto:HIDMailbox@michigan.gov) followed by overnighted paper submissions will be accepted. Note: e-mail attachments have system limits that will require documents to be sent in multiple e-mails.

Each response will be reviewed and scored based upon its merit, conformity with HOME regulations, and demonstrated capacity to complete the contract. The HOME regulation policies that will be in effect for the project award can be viewed at:

[http://www.michigan.gov/mshda/0,4641,7-141-5564\\_14770---,00.html](http://www.michigan.gov/mshda/0,4641,7-141-5564_14770---,00.html)

MSHDA reserves the right to reject any and all submissions, or parts thereof, or to waive any informality or defect in any submission if it is in the best interest of MSHDA and the State of Michigan. All submissions shall become the property of MSHDA. All submissions are considered public information and are subject to discovery under the Freedom of Information Act (FOIA).

This RFP is not a binding agreement and the notice of selection under this RFP does not guarantee project funding. Upon final approval from MSHDA, each selected entity must complete a formal application on the OPAL system. Upon successful submission of an application, a written agreement will be executed between the selected nonprofit(s) and MSHDA which will at that time guarantee project funding.

No project costs (HOME or non-HOME) may be incurred prior to the completion of an environmental review and receipt of formal written authorization and release of funds from MSHDA. MSHDA is not liable for any costs incurred prior to execution of a grant agreement.

All questions related to the RFP should be directed to Tonya Young via e-mail to the [HIDmailbox@michigan.gov](mailto:HIDmailbox@michigan.gov) with a Subject Line Reference entitled, "Housing Initiatives Statewide RFP Question" no later than **Tuesday, October 4, 2016 at 5:00 p.m.** Answers to the questions will be provided on the MSHDA website at [http://www.michigan.gov/mshda/0,4641,7-141-5564\\_14770---,00.html](http://www.michigan.gov/mshda/0,4641,7-141-5564_14770---,00.html) on or before Friday, October 7, 2016. In addition, MSHDA will hold a Q & A conference call session on Tuesday, October 11, 2016 from 1 p.m. – 2 p.m. The Conference Call Number is 877.402.9753, Access Code 3292085.

Below is a list of links to the applicable RFP/NOFA Housing Initiatives Policy Document that can be found at [http://www.michigan.gov/mshda/0,4641,7-141-5564\\_14770---,00.html](http://www.michigan.gov/mshda/0,4641,7-141-5564_14770---,00.html):

- [Administrative and Project Costs Policy](#)
- [Administrative and Project Costs Chart](#)
- [Developer Fee](#)
  
- [Required Documents Checklist](#)
- [Household Eligibility Policy](#)

- [Underwriting for Homeowner Projects](#)
- [Homeowner Certification Form](#)
- [Homeowner Rehab Proforma](#)
- [Homeowner Rehab Standards](#)
- [Certification of After Rehab Value](#)
  
- [Underwriting for Homebuyer Projects](#)
- [Attachment A: Homebuyer Certification Form](#)
- [Attachment B: Homebuyer First Mortgage Requirements](#)
- [Attachment C: Homebuyer Closing Costs and Other Fees](#)
- [Homebuyer: HPR and ADR Profomas](#)
  
- [Subsidy Limits and Lien Requirements](#)
- [Life Estate Responsibility Form \(If Applicable\)](#)
- [Land Sales Contract Subordination Agreement Form \(If Applicable\)](#)
  
- [Temporary Relocation Policy](#)
- [Claim For Temporary Relocation \(If Applicable\)](#)